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Report of the Intergovernmental Group of Experts on E-commerce and the Digital Economy on its first session

Held at the Palais des Nations, Geneva, from 4 to 6 October 2017

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I. Agreed policy recommendations of the Intergovernmental Group of Experts on E-commerce and the Digital Economy at its first session

The Intergovernmental Group of Experts on E-commerce and the Digital Economy,

Recalling General Assembly resolution 70/1, "Transforming our world: The 2030 Agenda for Sustainable Development", of 25 September 2015,

Recalling further General Assembly resolution 70/125, "Outcome document of the high-level meeting of the General Assembly on the overall review of the implementation of the outcomes of the World Summit on the Information Society", of 16 December 2015, which calls for close alignment between the World Summit on the Information Society process and the 2030 Agenda for Sustainable Development, highlighting the cross-cutting contribution of information and communications technology to the Sustainable Development Goals and poverty eradication,

Sharing the concern expressed that there are still significant digital divides, such as between and within countries, and between women and men, which need to be addressed through, among other actions, strengthened enabling policy environments and international cooperation to improve affordability, access, education, capacity-building, multilingualism, cultural preservation, investment and appropriate financing,

Recalling the provisions related to e-commerce and the digital economy adopted at the fourteenth session of the United Nations Conference on Trade and Development (Nairobi, July 2016), including those in paragraph 55 (u) and (v) of the Nairobi Maafikiano,*

Recalling paragraph 100 (r) of the Nairobi Maafikiano, which called for the establishment of an intergovernmental group of experts on e-commerce and the digital economy,

Recalling its policy focus on maximizing the development gains from e-commerce and the digital economy and addressing associated challenges, and thus strengthening its development dimension,

Underlining that information and communications technology and the digital economy, including e-commerce, have an increasing impact on global trade and development, including on the organization of work, employment and productivity,

Recognizing that the evolving digital economy can create both opportunities and challenges for developing countries, including in terms of competitiveness, creation of new value chains, entrepreneurship and economic inclusion,

Recognizing further the need to strengthen the work of UNCTAD on information and communications technologies, e-commerce and the digital economy for development, so as to enhance its ability to support developing countries to engage in and benefit from the evolving digital economy, and reduce the digital divide, for the creation of more inclusive knowledge societies,

Noting with concern declining aid for information and communications technology in total aid for trade,

Noting that only 16 per cent of the world's adult population uses the Internet to pay bills or purchase items, and that while more than 70 per cent of the population in several developed countries already buys goods and services online, the equivalent share in most of the least developed countries is less than 2 per cent,

Welcoming the written and oral contributions from participants that enriched the debate during its first session,

* TD/519/Add.2.

Taking note with appreciation of the documentation prepared by the UNCTAD secretariat for its first session,

Welcoming the analysis in *Information Economy Report 2017: Digitalization, Trade and Development*,

Stressing the need for upgraded, resilient and extended infrastructure for greater digital connectivity, noting that a diversity of public and private sources of financing will be needed to achieve these outcomes,

Noting the commitment contained in Sustainable Development Goal 4, target 4.4, that by 2030, the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship, has to be substantially increased,

1. *Encourages* member States, as appropriate, to fully integrate the digital agenda into their national development agendas both within and across tiers of government; and *calls on* UNCTAD to enhance its cooperation with other relevant stakeholders, in order to provide countries with practical examples and good practices supporting this effort;

2. Taking note of the tools developed by UNCTAD, such as the Business-to-Consumer E-commerce Index, information and communications technology policy reviews, the Global Cyberlaw Tracker and the Rapid eTrade Readiness Assessments, and their contribution to data collection and analyses of national statuses on e-commerce and digitalization, *requests* the secretariat to continue with the Rapid eTrade Readiness Assessments for the least developed countries and to expand their scope to developing countries; and *invites* development partners in a position to do so to provide UNCTAD with the necessary funds to cover such technical assistance;

3. Noting with concern the asymmetrical nature of the global digital economy, including current uneven access to international e-commerce platforms, that directly affects the competitive advantages of micro, small and medium-sized enterprises, in particular in developing countries, *requests* the secretariat to continue its analysis on the challenges of developing countries in the digital economy, particularly e-commerce, initiated in *Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries*, and to come up with policy recommendations for members to discuss at the next session, taking into account the challenges faced by developing countries;

4. Taking note of the presentation on electronic readiness, *expresses with concern* that most of the developing countries are yet to have the required infrastructure, electronic payment systems and other logistical arrangements for the conduct of e-commerce;

5. *Invites* member States to review the information contained in the UNCTAD Global Cyberlaw Tracker on their countries and provide updated information as appropriate to the secretariat;

6. *Recognizes* the importance of cross-border data flows in the digital economy; and *encourages* the secretariat to continue its work on the implications for developing countries;

7. Acknowledging that poor logistics remain a barrier to e-commerce in many developing countries, *encourages* the secretariat to continue its collaboration with the Universal Postal Union in support of e-commerce, including leveraging the possibilities for partnerships between the private sector and local post offices in accordance with their domestic policies and priorities;

8. *Notes with concern* the existing digital divide and poor e-commerce readiness of developing countries, especially the least developed countries, which could lead to an inequitable distribution of benefits from e-commerce and the digital economy; and *requests* the secretariat to present an analysis of the first set of Rapid eTrade Readiness Assessments of the least developed countries, including with a view to discussing possible ways to ensuring effective follow-up to recommendations made in the assessments, and to

progressively scope the digital divide and develop more relevant indicators for digital readiness assessments, for members to discuss the issue further;

9. *Emphasizes* the need for effective interaction between the Intergovernmental Group of Experts on E-commerce and the Digital Economy and the Intergovernmental Group of Experts on Consumer Protection Law and Policy and the Intergovernmental Group of Experts on Competition Law and Policy, with a view to reaping synergies and avoiding duplication;

10. Noting that there is fragmentation among programmes by numerous development partners, foundations and private sector actors offering models for facilitating greater connectivity, lowering costs and addressing regulatory issues, *encourages* the usage of the eTrade for All platform to promote coordination, and invites development partners in a position to do so to support financially eTrade for All and relevant programmes;

11. *Encourages* initiatives that improve the availability of statistics for developing countries, including the joint initiative of UNCTAD, United Nations regional commissions, the Organization for Economic Cooperation and Development, the Universal Postal Union, the World Bank, the World Customs Organization and the World Trade Organization to improve the measurement of cross-border e-commerce; and *invites* development partners to contribute by supporting capacity-building in this area;

12. *Recommends* the establishment of a Working Group on Measuring E-commerce and the Digital Economy in a format that aligns with available resources; and *invites* the secretariat to prepare a concept note on the working group and explore interest among development partners to financially support its operations;

13. *Emphasizes* the need to engage stakeholders in the implementation of the 2030 Agenda for Sustainable Development, in particular with regard to achieving inclusive e-commerce and development gains from digitalization; and *welcomes* the participation of civil society, business representatives and academia in the deliberations of the sessions of the Intergovernmental Group of Experts on E-commerce and the Digital Economy;

14. *Decides* that the work programme of the Intergovernmental Group of Experts on E-commerce and the Digital Economy in terms of substantive focus will be decided on an annual basis at each session;

15. *Decides* that the topic of its second session will be fostering development gains from domestic and cross-border e-commerce in developing countries;

16. *Decides* that its second session should focus on the following questions:

(a) How can developing countries foster local platforms for domestic and cross-border e-commerce?

(b) What are the existing barriers related to international e-commerce platforms that developing countries, including the least developed countries, face and how can these barriers be overcome?

(c) What are some of the operational constraints that small and medium-sized businesses in developing countries face when setting up trade online, and how can they be overcome?

(d) What are the good practices that developed and developing countries, including the least developed countries, can learn from each other?

II. Chair's summary

A. Opening plenary

1. The first session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy was held in Geneva from 4 to 6 October 2017.

2. In his opening remarks, the Secretary-General of UNCTAD highlighted the growing relevance of electronic commerce (e-commerce) and the digital economy, given the exponential growth in digital technologies and their expanding role in business. He noted that the phenomenon of digitalization was attracting increasing interest in the international community, as illustrated, for example, by the Going Digital project of the Organization for Economic Cooperation and Development and the discussions taking place in the Group of Twenty. UNCTAD was part of this process; member States had recognized its work in this area and its focus on the development implications of e-commerce and the digital economy. In the Nairobi Maafikiano, they had decided to establish the Intergovernmental Group of Experts on E-commerce and the Digital Economy, which provided the intergovernmental component that complemented ongoing capacity-building activities, such as the eTrade for All and Rapid eTrade Readiness Assessments initiatives, and research and analysis work, such as reflected in *Information Economy Report 2017: Digitalization, Trade and Development*. The Secretary-General stressed the importance of policy-driven discussions related to e-commerce and the digital economy from a development perspective, in particular given the wide gap between and within countries in the availability and adoption of information and communications technologies. It was important to consider the impact that the digital economy could have on the attainment of the Sustainable Development Goals and to ensure that no one was left behind. The Intergovernmental Group of Experts on E-commerce and the Digital Economy provided an opportunity to share experiences and prepare the ground for the trade and development community.

3. An introduction by the secretariat addressed maximizing the development gains from e-commerce and the digital economy (TD/B/EDE/1/2). Despite strong growth in e-commerce and information and communications technology connectivity, wide divides remained between developed and developing countries, in particular the least developed countries, as well as within countries. The expansion of e-commerce and the digital economy involved the development of key underpinning technologies, such as improved broadband connectivity, cloud computing, advanced robotics, big data, the Internet of things and three-dimensional printing. From a development perspective, it was possible to see opportunities, such as economic growth and development through lower transaction costs; enhanced productivity; increased scope for entrepreneurship, innovation and job creation; lower barriers to the expansion of micro, small and medium-sized enterprises; enabled rural development; and consumer benefits. At the same time, there were also challenges related to digital divides; the risk of job losses; growing income inequality and greater concentrations of market power and wealth; the need for skills adaptation; negative impacts on the bargaining power of consumers and users; the loss of privacy; and increased vulnerability to cyberthreats. Policies needed to seek to maximize potential benefits and opportunities while addressing relevant challenges and costs. The presentation posed a number of questions that needed to be addressed to help better understand how to move forward in this area, including the three main questions to be considered during the ensuing discussions.

4. Delegates highlighted the complexity and multifaceted nature of the subject, and that a range of different areas needed to be considered. New technologies represented a significant challenge for developing countries, given their capacity limitations. The digital economy was evolving at different speeds in different countries, and it was important to put the evolving digital economy to the service of developing economies. One delegate stressed the importance of the private sector, and another delegate highlighted the role of the postal sector in e-commerce, as well as that of electronic government services.

B. Discussion regarding the development dimension of e-commerce and the digital economy, addressing associated opportunities and challenges
(Agenda item 3)

5. Under the agenda item, the Intergovernmental Group of Experts on E-commerce and the Digital Economy held five round-table discussions.

1. Development implications of the digital economy

6. Panellists for the first discussion comprised the Director of the Directorate for Science, Technology and Innovation, Organization for Economic Cooperation and Development; a senior economist of the Research Department, International Labour Organization; and a professor of development informatics at the Global Development Institute, University of Manchester.

7. The panellists emphasized the disruptive nature of digital transformation given the near-ubiquity of mobile telephones and mobile broadband, the move towards connected devices, the use of artificial intelligence and the emergence of new business models. In this regard, a theoretical framework proposed by researchers at the University of Manchester had helped to further define and identify key concepts and the blurred boundaries between the digital sector, digital economy and digitalized economy.

8. The impact of new technologies on employment and the quality of jobs was of great concern. The second panellist noted that, in a period of rapid technological change, policymakers needed to focus on how new jobs were created, rather than only on the risk of job losses. Governments played an important role in shaping transformation. As the future was not deterministic, social dialogue was essential for reaching consensus on capabilities, in order that Governments could influence the future of jobs. Recent research had suggested that while digital labour platforms tended to result in working conditions below the norm in developed countries, their impacts on working conditions in developing countries were often better than average conditions in the country.

9. The panellists highlighted the need for coordination among several policy areas. It was difficult to use old-economy frameworks to address the challenges brought about by new-economy business models, and the complex, non-linear nature of digital transformation prompted a need for rapid policy responses. The first panellist noted that there was a need to rethink policies horizontally and in a coordinated and multidisciplinary approach, to address aspects such as employment policy, trade policy, the taxation of digital firms and privacy and ownership of data on connected devices. The panellists underscored the possibility of collaboration with a number of initiatives in which UNCTAD was already involved, such as the Future of Work initiative of the International Labour Organization, the Going Digital project of the Organization for Economic Cooperation and Development and the Development Implications of Digital Economies Strategic Research Network.

10. The panellists agreed that more statistics and research were needed to better understand the development impact of digital transformation. For example, cross-cutting priority areas for further research by the Organization for Economic Cooperation and Development were jobs, skills and the nature of work; productivity, competition and market openness; well-being and inclusion; and measurement. In addition, research priorities at the University of Manchester included statistical foundations and the consideration of new sources of data to strengthen and expand statistical capabilities; digital labour and the need to quantify and understand its impact on inequality and precariousness; and digital enterprise and its implications for development.

11. During the ensuing discussion, several delegates noted the timeliness and relevance of the session given the growing importance of e-commerce and the digital economy and the significant challenges of this transformational process. Several speakers highlighted that a lack of appropriate statistics posed difficulties for evidence-based policymaking. Delegates shared their perspectives on future areas of priority for policy interventions, as well as national and regional initiatives related to e-commerce and the digital economy, including the following: the Digital Bangladesh 2021 programme; the UNCTAD information and communications technology policy review for Egypt, including a national

e-commerce strategy, following which Egypt had launched its first national survey to measure e-commerce among microenterprises and among households and individuals; the Estonia E-residency initiative and a project to legally recognize the responsibilities of robots in civil law; the emphasis by Saudi Arabia on the importance of simplifying regulations for the digital economy; an initiative in Senegal to create a technical working group on e-commerce, to coordinate government policy responses; the Singapore Smart Nation initiative, Tech Skills Accelerator and a regulatory sandbox initiative for digital entrepreneurs; the UNCTAD *Science, Technology and Innovation Policy Review: Lesotho*; and the European Union digital agenda.

12. Delegates and panellists agreed that the dynamic context of rapid technological change called for flexibility and agility in policymaking, and for thinking outside of the box. E-commerce and the digital economy were of a cross-cutting nature, and required a holistic approach through cross-collaboration among different areas of policymaking, as well as cooperation with all stakeholders. The major policy challenges raised by delegates related to various needs, such as developing digital infrastructure; enhancing interoperability between institutions and cross-border coordination; protecting citizen rights online and ensuring cybersecurity; adapting skills and education systems; developing digital economy capabilities in the least developed countries; addressing logistics solutions and physical infrastructure bottlenecks; improving access to finance and strengthening online payment solutions; raising awareness of existing opportunities related to e-commerce; and obtaining further technical assistance on formulating e-commerce strategies and legal and regulatory frameworks that encouraged innovation. Given the different circumstances of different countries and the various speeds of digital adoption, there was no one-size-fits-all policy approach, and experimentation was important for policymaking. The sharing of experiences at sessions of the Intergovernmental Group of Experts on E-commerce and the Digital Economy could contribute to the development of capacities to harness the digital economy to assist in the attainment of the Sustainable Development Goals. Countries needed to have information and communications technology and e-commerce strategies as part of their national development strategies. Finally, there was broad consensus that technology should be used for improving people's lives and leaving no one behind.

2. Building competitive advantages through e-commerce and the digital economy in developing countries

13. Panellists for the second discussion, centred around the first guiding question for the Intergovernmental Group of Experts on E-commerce and the Digital Economy – what do developing countries need in order to build competitive advantages through e-commerce and the digital economy? – comprised the Chief Executive Officer of LIRNEasia and a professor at Gaston Berger University, Senegal.

14. The secretariat, in its introduction to the discussion, presented the UNCTAD Business-to-Consumer E-commerce Index, and noted that despite the growth of e-commerce and opportunities created through the digital economy, there were indications that the e-commerce divide was considerable. In most of the least developed countries, the share of Internet shoppers in the population was 2 per cent or less, and in many developing countries it was around 60–80 per cent. The index showed the readiness of countries to harness the potential of e-commerce. Among the top 10 economies in the index in 2017, there was a high number of developed countries, which registered similar index values. Among the top 10 developing countries, the index showed more variation: the top four were high-income economies in eastern Asia, and there was one economy in Africa and one economy in Latin America and the Caribbean. Africa and Latin America were below the world index average.

15. The first panellist presented the findings of recent national and regional surveys on information and communications technology and e-commerce. She highlighted problems related to availability and the reliability of relevant data to measure meaningful progress. Basic building blocks for citizens to be able to engage in e-commerce transactions were affordable connectivity, payment mechanisms, delivery mechanisms, geomapping of addresses and legal and regulatory tools. A range of e-commerce activities were taking

place in emerging economies, yet less than 20–30 per cent of the populations of many countries in southern Asia were online and the data for Africa showed lower numbers. Recent surveys showed, however, that Latin America had made advances in access to and use of the Internet. The panellist emphasized, however, that good access to mobile telephones and affordable Internet were not enough for Internet use to increase.

16. The second panellist emphasized the fact that countries in Africa had low levels of Internet use. While the region was considered to have high potential for future growth, significant obstacles existed in transforming connectivity and information and communications technology infrastructure challenges into strengths. Enterprises had insufficient presence in digital value chains, and economies in Africa were unable to properly harness the opportunities offered by the digital economy. The panellist noted that the region was the least advanced in the digital economy, yet had the greatest needs and a significant potential for growth. In order to change this situation, Governments needed to address the challenges of digital trust, through ensuring appropriate legal frameworks, and the challenges of digital sovereignty and digital transformation, through digital strategies adapted to local conditions. Challenges were exacerbated by a high degree of informality. The panellist noted successful examples, such as the proliferation of mobile money in eastern Africa in the absence of credit cards, which provided an opportunity to leapfrog, yet there remained much to be done. The lack of electronic payment mechanisms continued to be a major impediment to the growth of e-commerce. Fostering financial education and digital literacy was also important. Finally, the panellist underlined that, in a number of countries, international online payment mechanisms that could help facilitate online work and cross-border exports related to e-commerce were not accessible, thereby limiting the possibilities for e-commerce.

17. During the ensuing discussion, many delegates agreed that the measurement of e-commerce and the digital economy was crucial for policymaking. Delegates shared experiences in, for example, Azerbaijan, Costa Rica, Egypt, Germany, Guatemala, Mauritius, Saudi Arabia, Senegal, Togo, Uganda and the United Republic of Tanzania. Delegates and speakers emphasized the need to enhance productive capacities in developing countries, to benefit from e-commerce and the digital economy and address the associated risks. This was particularly important in supporting micro, small and medium-sized enterprises in engaging in e-commerce, to enable access to global markets. Several delegates and speakers highlighted the lack of digital skills as a major impediment to the growth of e-commerce in developing countries, as such skills were essential both to run an e-commerce business and to participate as a consumer.

18. Key elements for facilitating e-commerce included improved capabilities, connectivity, infrastructure, logistics and finance and payment solutions, as well as the need to build trust and awareness. Several delegates stressed the importance of having relevant local content, as well as open data. Many delegates and speakers highlighted the central role of having a proper legal and regulatory environment to support e-commerce, including cybersecurity, data protection, electronic transactions, electronic signatures and competition and consumer protection. With regard to global trade and investment issues related to e-commerce and the digital economy, some delegates and speakers emphasized the need for openness, while other delegates and representatives of non-governmental organizations expressed concerns about cross-border data flows and discussions on this matter at the World Trade Organization. A few delegates underscored the obstacles that prohibited the ability of enterprises in some countries to sell on global e-commerce platforms. Finally, there was broad agreement on the importance of addressing barriers to developing country e-commerce.

3. Strengthening physical and technology infrastructure in developing countries

19. Panellists for the third discussion, centred around the second guiding question for the Intergovernmental Group of Experts on E-commerce and the Digital Economy – what can developing countries do in order to strengthen their physical and technology infrastructure? – comprised the Content Coordinator of the Broadband Commission for Digital Development, International Telecommunication Union and United Nations Educational, Scientific and Cultural Organization; the Director of Policy Development,

Internet Society; and a lead economist of the Trade and Competitiveness Global Practice, World Bank.

20. The first panellist emphasized that the digital divide between countries remained and was evolving as new technologies emerged. Gaps also persisted at national levels, with notable differences between urban and rural areas; the cost of deploying broadband connectivity varied, and was overpriced in remote areas, creating problems of commercial viability. There was also a growing gender-related digital divide. However, there were different means to overcome such divides; the industry was growing more efficient and more action was being taken with regard to policy. Several policy options were available on the supply side, including mobile network sharing, access to non-telecommunications infrastructure, spectrum management, coverage obligations and the mandating of wholesale next-generation network access at sustainable prices. Policy options on the demand side included public campaigns to promote digital awareness, public information access points, subsidies or social tariffs for low-income citizens and the cutting of value added tax on information and communications technology services. Finally, the panellist noted that, with regard to the telecommunications industry, there had been a shift in value capture from operators to content creators.

21. The second panellist stated that Internet access was important, but should be meaningful and that people should be able to use it for productive purposes. The enabling environment was made up of three major elements related to Sustainable Development Goal 9, namely infrastructure, skills and governance. With regard to infrastructure, certain requirements included fibre-optic networks, submarine cables and Internet exchange points, to lower traffic and usage costs. The creation of local content was crucial for developing countries, as most content on the Internet was in English, and digital skills needed to be improved in order to create an inclusive environment and not leave people behind. Finally, the panellist highlighted the importance of measures to improve governance, such as those related to broadband connectivity, trade regulations, the liability of intermediaries and investment incentives. It was important to connect the unconnected, and one solution for serving rural or remote areas was the creation of community networks.

22. The third panellist emphasized that the enabling environment for e-commerce and the digital economy required engagement by multiple World Bank Global Practices. On a global scale, the first hurdle to the expansion of electronic trade was the lack of access to digital connectivity. Making the Internet universally accessible and affordable needed to be a global priority, and required a judicious mix of market competition, public–private partnerships and effective regulation of the Internet and the telecommunications sector. International development assistance had proved valuable for supporting the development of telecommunications infrastructure in developing countries. For example, the Aid for Trade Global Review 2017 had highlighted the multifaceted engagement of the private sector in e-commerce and in developing information and communications technologies more broadly. Development assistance funds acted as catalysts for private investments in connectivity. The panellist stressed that large-scale infrastructure projects required the involvement of both the public and private sectors, including investment in infrastructure and regulatory framework reforms, as exemplified in various projects of the World Bank.

23. During the ensuing discussion, delegates shared experiences with regard to the development of information and communications technology infrastructure, including with public–private partnerships, for example in Mauritius, Myanmar, Pakistan, Saudi Arabia, Togo and the United Republic of Tanzania. Governments needed to facilitate coordination between agencies and with private sector partners. In collaborations with private companies, authorities needed to incentivize investment and facilitate investment procedures, to encourage operators to deploy fibre-optic networks, including in remote areas. There remained a significant gap between investment needs and aid provided for investment in digital infrastructure.

24. Several delegates emphasized the importance of developing national strategies that facilitated connectivity and access to the Internet. Governments needed to promote a fair and competitive environment that encouraged new entrants in the information and communications technology market and prevented market power abuse. It was necessary to

think beyond infrastructure; education and computer skills also played a significant role in the development of e-commerce and the digital economy.

25. A few delegates highlighted the importance of the postal infrastructure as an enabler of e-commerce. Once goods were purchased online, physical infrastructure was required to deliver them. In order to ensure inclusive e-commerce, physical infrastructure and logistics were critical, in particular in rural and remote areas. A few delegates highlighted the importance of reducing the cost of equipment needed to build information and communications technology infrastructure and personal devices, for example through a value added tax exemption for such equipment, as this could have an impact on the overall information and communications technology-related development of a country.

26. Many delegates and speakers emphasized the barrier to e-commerce posed by the lack of electronic payment facilities in developing countries. In several countries, access to bank accounts or innovative solutions such as mobile money was limited, and most e-commerce took place through cash on delivery, yet this had limitations, in particular with regard to engaging in international e-commerce. Finally, trade facilitation was also crucial for cross-border e-commerce.

4. Impactful partnerships between developed and developing countries to maximize opportunities and address challenges relating to e-commerce and the digital economy

27. Panellists for the third discussion, centred around the third guiding question for the Intergovernmental Group of Experts on E-commerce and the Digital Economy – how can developed countries partner with developing countries, in the most impactful way, to maximize opportunities and address challenges relating to e-commerce and the digital economy? – comprised the Executive Director of the Enhanced Integrated Framework secretariat, World Trade Organization; the Permanent Representative of the Pacific Islands Forum to the World Trade Organization; and the Chair of Business for eTrade Development.

28. The secretariat, in its introduction to the discussion, noted the urgent need for effective support to developing countries in engaging in and benefiting from e-commerce and the digital economy, given the rapid pace at which the digital economy was evolving and remaining digital divides. There were several ways in which development partners could provide support. Bilateral cooperation, multi-donor programmes, regional and global initiatives and the sharing of policy experiences, such as in the framework of the Intergovernmental Group of Experts on E-commerce and the Digital Economy, were avenues to be explored. The eTrade for All initiative and its online platform in particular capitalized on existing knowledge and maximized synergies, facilitating access to information and resources from partners in seven policy areas related to e-commerce and the digital economy. The platform could be further leveraged by increasing awareness and use by potential beneficiaries to seek information and assistance, increasing substantive contributions from partners of the initiative and ensuring stable funding to improve the functionality of the platform, maintain it and carry out outreach activities.

29. The first panellist detailed how technical assistance related to e-commerce could support the least developed countries in seizing opportunities in digital and technological integration. For example, the diagnostic trade integration studies under the Enhanced Integrated Framework had identified digital priorities, and the Framework was a partner in the eTrade for All initiative and supported the UNCTAD Rapid eTrade Readiness Assessments, which offered a blueprint for possible digital reforms by Governments in the least developed countries, identified areas for public–private partnerships and investments in digital infrastructure and provided an evidence base for donors and development partners offering technical assistance.

30. The second panellist shared experiences from countries in the Pacific on working with international partners on e-commerce matters. A regional workshop held in June 2017, organized by the Pacific Islands Forum secretariat, the World Trade Organization and UNCTAD, had gathered various stakeholders from 14 countries in the region to identify challenges and opportunities, and had called for a regional road map to guide e-commerce development at the national level and set e-commerce as a priority in the regional aid for

trade strategy. The Pacific Islands Forum had requested donors to remain engaged with the Pacific region and support national and regional efforts, and international partners such as the Enhanced Integrated Framework and UNCTAD supported countries in addressing the challenges related to e-commerce. A coordinated approach by development partners was important to ensure that the limited resources of Pacific island States were not dispersed.

31. The third panellist noted that the private sector could provide information about new solutions for undoing e-commerce bottlenecks or for incentivizing investment in e-commerce infrastructure and services in developing countries. Public–private partnerships could help build the capacity of small and medium-sized enterprises and women entrepreneurs to engage in and benefit from e-commerce, contribute to metrics on e-commerce and establish links between firms in developed and developing countries. Developing countries needed to encourage their firms and private sector organizations to join Business for eTrade Development, to ensure that their views were included in future eTrade for All work.

32. During the ensuing discussion, delegates shared experiences with regard to development partnerships, for example in Argentina, Azerbaijan, Bangladesh, Oman, Samoa, Saudi Arabia and Senegal. Delegates noted the importance that development partners, such as Germany and Sweden, attributed to the development of e-commerce and the digital economy in developing countries, in particular the least developed countries; detailed capacity-building assistance programmes in this area, including in support of eTrade for All and the Rapid eTrade Readiness Assessments; and highlighted that they would continue to work with UNCTAD and partners in this area. The Rapid eTrade Readiness Assessments allowed the least developed countries to decide on the best way forward to maximize the opportunities of and address constraints to participating in the digital economy. Representatives of intergovernmental organization partners of the eTrade for All initiative, such as the International Trade Centre, the United Nations Economic Commission for Europe, and the World Trade Organization, emphasized the importance of partnerships in e-commerce and the digital economy.

33. Several delegates and speakers agreed that public–private partnerships were important means of developing the digital and business skills of small and medium-sized enterprises, which constituted the majority of firms in developing countries. Some solutions aimed specifically at building the capacity of small and medium-sized enterprises and providing them with e-commerce tools were included in the eTrade for All platform and being implemented in a few countries. One speaker noted that in the context of the standardization and harmonization of technical standards for e-commerce, private sector inputs to digital trade policy led to more robust standards that took into account the needs of businesses in developing countries.

34. Many delegates and speakers recognized the cross-cutting nature of digital integration and the need for a coordinated or integrated multi-stakeholder approach to technical assistance on e-commerce, which should include Governments, international organizations, the private sector and civil society. The eTrade for All platform offered a level of coordination in this regard, yet needed to be continuously maintained, requiring continued support from donors and partners and increased use by beneficiaries. Collaboration was also required in the delivery of such assistance, in particular in the least developed countries. A few delegates supported the integration and expansion of e-commerce in the aid for trade portfolio, in particular in the context of trade policies and regulation.

35. Several delegates emphasized developing country technical assistance needs that fell under the seven policy areas identified in the eTrade for All initiative, in particular related to the creation and implementation of legal and regulatory frameworks for e-commerce, the production of statistics and metrics to inform policies, the building or adapting of e-commerce payment systems and access to finance. Several delegates and speakers highlighted the need to further raise awareness of e-commerce issues among public and private stakeholders in developing countries, and to share best practices, experiences and exchanges between institutions under the relevant policy areas.

36. Many delegates and speakers noted that official statistics on global cross-border e-commerce did not exist, and that a majority of developing countries lacked domestic e-commerce statistics. Delegates and speakers suggested that the Intergovernmental Group of Experts on E-commerce and the Digital Economy work on developing e-commerce and digital economy data, which would entail national coordination, in order to ensure that national statistical systems and those of other relevant ministries were included in capacity-building efforts and discussions on developing such statistics. Finally, collaboration and partnerships were already underway between international organizations to advance the methodology and availability of statistics on digital trade, the information and communications technology sector and the use of such technology by businesses.

5. The way forward

37. The final informal session aimed to define the work programme of the next session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy. The panellist, a consultant and researcher on development, governance, rights, information and communications technologies and the Internet, highlighted some of the main points that had emerged from the preceding discussions.

38. First, the digital economy was complex and growing but it was not separate from the wider economy or a replacement for it. The digital economy needed to be seen as building, adapting and enhancing economic activity. It was important to explore how best to integrate the old and new economies.

39. Second, e-commerce and the digital economy were important in both domestic and international contexts. Attention needed to be paid to both, not only regarding extent, but also impact. The main objective was to generate greater economic value, as a development project and not a statistical one. In domestic markets, e-commerce growth needed to boost local economies in an inclusive manner, enabling small and medium-sized enterprises, women entrepreneurs and rural businesses to benefit. Cross-border trade also needed to be increased among developing countries. Capturing the benefits of trade for local enterprises was important, in particular in Africa.

40. Third, the digital economy was not a panacea, as it offered opportunities but also posed threats, which were closely related to digital and more general development divides. The capacities of developing countries to take advantage of e-commerce varied. At the national level, the challenge was particularly acute in the least developed countries. The greatest constraint to the participation of individuals in the digital economy was poverty, which implied a lack of resources, capital and skills. Digital divides were self-perpetuating. Policy approaches needed to focus on both maximizing the opportunities and mitigating the risks of e-commerce and the digital economy.

41. Fourth, many different kinds of policy action were required. Addressing the digital divide was crucial, yet was not only a matter of connectivity or affordability but also of capabilities and content. This included legal and regulatory frameworks that facilitated competition and investment and enabled e-commerce through data protection, digital signatures and cybersecurity. Non-information and communications technology frameworks and cross-border trade frameworks were also important. Skills development needed to be a priority. The multifaceted and multisectoral nature of e-commerce and the digital economy called for a holistic approach, with different ministries working together and action being taken by many different stakeholders.

42. Fifth, the digital economy was changing rapidly and already transforming markets in developed countries. Developing countries faced major challenges, and it was important to reflect on what should come next. More accurate, reliable and timely data were essential for development; the existing deficiency of data needed to be addressed. A review of the eTrade for All platform experience could help identify where value could be added and positive experiences from which Governments, businesses and donors could learn. The Intergovernmental Group of Experts on E-commerce and the Digital Economy could focus on one or two critical issues at each session; some issues raised during the first session were the particular needs of the least developed countries and small island developing States; the potential of small businesses to benefit from e-commerce

opportunities; the gender dimension of e-commerce and the digital economy; digital literacy; delivery mechanisms; local platforms; taxation; and competition policy. The Rapid eTrade Readiness Assessments were of value, and additional studies could be prepared of the impacts of e-commerce and the digital economy on national economies and individual sectors.

43. Many delegates highlighted the relevance of the Intergovernmental Group of Experts on E-commerce and the Digital Economy, as a valuable space for dialogue focused on the development dimension of e-commerce and the digital economy, and noted that its contributions were important in unlocking opportunities for harnessing the digital economy for sustainable development and leaving no one behind. The first session had provided for a successful sharing of experiences and good practices. Finally, many delegates agreed on the usefulness of the eTrade for All initiative and, throughout the discussions, many delegates, speakers and panellists had underscored the valuable and pertinent analyses and policy recommendations in *Information Economy Report 2017*.

C. Action by the Intergovernmental Group of Experts on E-commerce and the Digital Economy

Agreed policy recommendations

44. The Intergovernmental Group of Experts on E-commerce and the Digital Economy, according to its terms of reference,[1] prepared agreed policy recommendations drawn from discussions at the session, for the consideration of the Trade and Development Board (see chapter I).

III. Organizational matters

A. Election of officers

(Agenda item 1)

45. At its opening plenary, on 4 October 2017, the Intergovernmental Group of Experts on E-commerce and the Digital Economy elected Mr. M Shameem Ahsan (Bangladesh) as its Chair and Ms. Nagwa El Shenawy (Egypt) and Mr. Taavo Lumiste (Estonia) as its Vice-Chairs-cum-Rapporteurs.

B. Adoption of the agenda and organization of work

(Agenda item 2)

46. Also at its opening plenary, the Intergovernmental Group of Experts adopted the provisional agenda contained in document TD/B/EDE/1/1. The agenda was thus as follows:

1. Election of officers;

2. Adoption of the agenda and organization of work;

3. Discussion regarding the development dimension of e-commerce and the digital economy, addressing associated opportunities and challenges;

4. Provisional agenda for the second session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy;

5. Adoption of the report of the Intergovernmental Group of Experts on E-commerce and the Digital Economy.

[1] TD/B(S-XXXI)/2.

C. Provisional agenda for the second session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy

(Agenda item 4)

47. At its closing plenary, on 6 October 2017, the Intergovernmental Group of Experts approved the provisional agenda for its second session (see annex I).

D. Adoption of the report of the Intergovernmental Group of Experts on E-commerce and the Digital Economy

(Agenda item 5)

48. Also at its closing plenary, the Intergovernmental Group of Experts authorized the Vice-Chairs-cum-Rapporteurs to finalize the report on its first session after the conclusion of the session.

Annex I

Provisional agenda for the second session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy

1. Election of officers;

2. Adoption of the agenda and organization of work;

3. Fostering development gains from domestic and cross-border e-commerce in developing countries;

4. Working Group on Measuring E-commerce and the Digital Economy;

5. Provisional agenda for the third session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy;

6. Adoption of the report of the second session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy.

Annex II

Attendance*

1. Representatives of the following States members of UNCTAD attended the session:

Algeria
Argentina
Australia
Austria
Azerbaijan
Bahamas
Bangladesh
Barbados
Belgium
Bolivia (Plurinational State of)
Botswana
Brazil
Brunei Darussalam
Canada
Comoros
Congo
Costa Rica
Cuba
Democratic Republic of the Congo
Djibouti
Ecuador
Egypt
Estonia
Ethiopia
Finland
France
Germany
Ghana
Guatemala
Hungary
India
Iran (Islamic Republic of)
Iraq
Japan
Kazakhstan
Kenya
Kuwait
Lesotho
Malawi
Mauritius
Mexico
Morocco
Mozambique
Myanmar
Nepal
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Panama
Peru
Philippines
Samoa
Saudi Arabia
Senegal
Singapore
Spain
Sri Lanka
Sweden
The former Yugoslav Republic of Macedonia
Togo
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania

2. Representatives of the following member of the Conference attended the session:

Holy See

3. Representatives of the following non-member observer State attended the session:

State of Palestine

4. Representatives of the following intergovernmental organizations attended the session:

Cooperation Council for the Arab States of the Gulf
Eurasian Economic Commission
European Union
Organization for Economic Cooperation and Development
Pacific Islands Forum Secretariat
South Centre

* This attendance list contains registered participants. For the list of participants, see TD/B/EDE/1/INF.1.

4. Representatives of the following United Nations organs, bodies and programmes attended the session:

Economic Commission for Europe
International Trade Centre

5. Representatives of the following specialized agencies and related organizations attended the session:

International Labour Organization
International Telecommunication Union
Universal Postal Union
World Bank Group
World Trade Organization

6. Representatives of the following non-governmental organizations attended the session:

General category:

Consumers International
Engineers of the World
International Centre for Trade and Sustainable Development
International Network for Standardization of Higher Education Degrees
Organisation Camerounaise de promotion de la coopération économique internationale
Third World Network
Village Suisse ONG

Other:

International Air Transport Association